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LABADIE COLLECTION

OUR FINANCIERS:

THEIR IGNORANCE, USURPATIONS, AND FRAUDS.

BY LYSANDER SPOONER.

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OUR FINANCIERS: THEIR IGNORANCE, USURPATIONS, AND FRAUDS.

I.

THE great battle in Ohio for more money,—by which is here meant the political canvass for the year 1875,—in which the whole country participated, is still worthy of notice, not only because there is doubtless a widespread determination to fight it over again, but also because it affords a ludicrous, but much needed, illustration, as well as an irrefutable proof, of the prevailing ignorance on the subject of money.

That that violent, but ridiculous, contest may serve as a caution to the people against being drawn into the same, or any similar one, in future, is one purpose of this article. Its other purposes are to expose the usurpations and frauds by which the people are deprived of money, and to vindicate, as far as its limits will permit, the right of the people, by the use of their own property and credit, to supply themselves with such money as they can, and as much of it as they please, free of all dictation or interference from the government.

The question at issue in Ohio, in 1875, was the 3.65 interconvertible bond scheme; a scheme, of the practical operation of which the writers and speakers, on neither side, seemed to have the least real knowledge whatever. It would have had neither the good effects which its friends expected, nor the bad effects which its enemies predicted. That is to say, it would neither have provided "a currency equal to the wants of trade," as claimed by its friends, nor would it have flooded the country with a depreciated currency, as predicted by its opposers. As a system for furnishing a *permanent* currency, either good or bad, it would have fallen utterly dead. Worse than that, instead of furnishing a permanent currency in place of that we now have,

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it would have deprived us of the one we now have, without furnishing any substitute at all.

That such would have been its effect is evident from these considerations, namely:—

It is a settled principle that a paper currency depends, for its true and natural market value, wholly upon the redemption that is provided for it. It has, and it can have, no more true or natural market value than the property with which it is to be redeemed. A paper currency, therefore, that has no other redemption than that of being convertible into interest-bearing bonds, can be worth no more in the market than are the bonds themselves, and, consequently, no more than it is worth *for conversion into the bonds.* And it is worth nothing for conversion into bonds, unless there are some one or more persons who wish thus to convert it. In other words, it is this demand for the *bonds, as investments,* that alone gives the *currency* any value in the market. A convertible note of this kind, therefore, circulates as money only because some one or more persons want it for conversion. *And it circulates only until it falls into the hands of such a person.* When it falls into his hands, he converts it, *and thus takes it out of circulation.*

The destiny, therefore, of all such convertible paper, *that is in circulation as money, is finally to be converted into bonds; and thus taken out of circulation.* And there is then an end of it, so far as its being currency is concerned.

We saw the operation of this principle so long as the greenbacks were convertible into bonds. The conversion went on so rapidly that we should soon have had no greenbacks at all in circulation, had not the conversion of them into bonds been stopped by law. And our greenbacks now remain in circulation only because they are *not* convertible into bonds.

For the reasons now given, if our whole national debt were today in circulation as currency, *having no other redemption than that of being convertible into* 3.65 *bonds,* it would be worth for circulation no more than it would be worth for such conversion; and, as a natural consequence, it would rapidly, though not instantly, be converted, *and thus taken out of circulation; and we should then have entirely lost it as a currency.* And, as the scheme

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proposes to prohibit all other currency, we should then be left with no currency at all.

The 3.65 bond scheme, therefore, instead of being a scheme for providing the country with a currency, is perfectly suicidal, so far as furnishing a currency is concerned. It is simply a scheme for providing a paper currency for circulation *by withdrawing all such currency from circulation!* It is absurdity run mad.

II.

But the advocates of the scheme will say that it provides that these bonds *may* be reconverted into currency. Yes, it does indeed provide that they *may*, but not that they *must*, be thus reconverted. *And it offers no inducements whatever for such reconversion;* because, if reconverted, the currency will then be worth no more in the market than the bonds are worth as investments; since all that will give the currency any value at all in the market will then, as before, be the simple fact that it (the currency) is convertible back into the same bonds from which it has just been reconverted!

The bonds are to be holden by men who preferred the bonds to the currency, *when both had the same value in the market.* And now the scheme contemplates that the country will go without any currency at all, until these same bondholders shall change their minds, and prefer the currency to the bonds, *when both have still the same value in the market!* Who can tell when the bondholders will do that? The bonds are their estates, their investments, on which they rely for their daily bread. They are the estates which they have preferred to all others, as a means of living. To presume that they will reconvert them into currency, is just as absurd as it would be to presume that a man who has just bought a farm, and relies upon it for his living, will sell it for money that will enable him to do nothing else so good for himself as to buy back the same farm that he parts with.

III.

But General Butler, who, I believe, claims to have been the author of this scheme, says that, "*in case of a scarcity of money,*"

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"*a demand for money by a high rate of interest* will call forth these bonds."[1]

He means by this that, in times of "scarcity of money," "a high rate of interest"—that is, a higher rate than the bonds themselves bear—will induce a holder of these bonds to reconvert them into legal tender notes, *in order to lend them!*

This is certainly furnishing "more money" with a vengeance. The real value of the notes corresponds precisely to the value of a 3.65 interest-bearing bond, and General Butler would allow the people to have no money at all, except in some rare emergency, when the "scarcity" is so great as to induce them to give a higher rate of interest than the money is really worth,—enough higher to induce the bondholder to surrender his investments, and become a money lender instead.

This is equivalent to saying that nobody shall be permitted to borrow money, except in those emergencies when he will submit to be fleeced for the sake of getting it!

And to make it impossible for any body to borrow money, except at this extortionate rate, he would "*prohibit by the severest penalties every other person, corporation, or institution from issuing any thing that might appear in the semblance of money!*"

And this proposition comes from a man who proposes to furnish the people with "more money," and thus save them from the extortions of the present money dealers!

However such an extortion might occasionally relieve an individual, who was so sorely pressed as to consent to be fleeced, it would do nothing towards supplying the people at large with money; because the money thus issued to an individual would not continue in circulation, unless it should constantly pass from hand to hand *at a price beyond its true value;* that is, at a price beyond its value for conversion. The result would be that the people could have no money at all, except upon the condition of their constantly giving more for the money than it was worth!

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[1] See his speech in New York, October 14, 1875, reported in the New York "Daily Graphic" of October 15.

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IV.

Another device of General Butler, by which he appears to think he could keep at least some of the currency in circulation, is this: He would make it "*the legal tender of the United States for all debts due to or by the government or individuals.*"

But this would add nothing at all to its real value; and it would have no appreciable, or certainly no important, effect in preventing the conversion of the currency into bonds; or, what is the same thing, in preventing a withdrawal of the currency from circulation; for the currency would still have no more real or true value for circulation than it would for conversion.

General Butler's plan, therefore, amounts practically to this: He would allow the people no money at all, except on rare occasions, when, as he thinks, the "scarcity" would be so severe as to induce them to pay an extortionate price for it!

But, under such a system, there would really be no such thing as a *rare* and *occasional* "scarcity;" *there would be nothing but constant, perpetual, and utter destitution.* At least such would be the case, so soon as all the notes should have been converted into bonds.

The idea of allowing the people no money at all, except occasionally in times of "scarcity," corresponds to one that should forbid the people to have any food at all, except occasionally in times of famine. Under such a system, it is plain there would never be a rare or occasional famine; but there would be, instead of it, a constant and perpetual one. So, under Butler's scheme, there would never be any rare or occasional "scarcity of money;" but there would be a constant and perpetual destitution of it.

Yet he calls it a scheme for providing the people with more money! In reality, it is merely a scheme for depriving them of money altogether.

V.

Such being the real character of this 3.65 scheme, we are enabled to see the true character of the late battle in Ohio for and against it. And it is important to consider that, although the

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battle was nominally fought in Ohio, the whole country took part in it. The whole country took part in it, because it was considered that the result in Ohio would very likely decide the result in the whole country.

Thus we had the ludicrous and humiliating spectacle of forty millions of people fighting a fierce and bitter contest for and against a scheme, *of the real nature of which neither party knew any thing!* One party thought it was a scheme for furnishing the money really needed for industry and trade. The other party thought it was a scheme for overwhelming the country with a depreciated currency. In reality, it was a scheme to deprive the country of money altogether!

If any body had any thing to *fear* from this system, it was the very party that advocated it; for they wanted *more* money and not less. And if any body had any thing to *hope* from the system, it was the party that opposed it; for they wanted *less* money and not more.

Here, then, were two opposing armies, each fighting with all fury against itself, under the belief that it was fighting its antagonist!

VI.

The question now arises: If all the statesmen (so-called), all the financiers and bankers, all the editors, all the violent writers and speakers, who took part in this contest, know no more about finance than to take such parts as they did *either for or against* this ridiculous and absurd scheme, how much do they know about the system which the industry and prosperity of the country really require?

And if we shall conclude that they do not know any thing, perhaps we may conclude that they should not quite so arrogantly assume to dictate to us what, or how much, money we shall, or shall not, have; nor, consequently, to decide (as it is their purpose to do) what, or how much, money all other property shall be sold for.

Perhaps we may even conclude that men who have demonstrated their ignorance beyond all cavil or controversy, as they have, and who, by their ignorance, or something worse, have brought upon forty millions of people such ruin and misery as

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they have, ought to be exceedingly modest for the rest of their lives, especially on the subject of money.

Perhaps we may conclude that to paralyze the industry of the country for four, five, or six years together, at a loss of three, four, or five thousand millions of dollars per annum,—say, twenty thousand millions in all,—under pretence that it is necessary in order to raise, by five, ten, or fifteen per cent., the market value of eight hundred millions,—that is, to raise their value, say, one hundred millions in all,—perhaps, I say, we may conclude that to thus impoverish a people to the extent of twenty thousand millions, under pretence of saving or giving to somebody one hundred millions, is neither good financiering, good morals, nor good government; and that it indicates that there is something a great deal worse than sheer ignorance at work in the plans of the government.

Perhaps we may conclude that a dollar, in order to be a standard of value, must have something like a fixed value itself, *which it will maintain against all competition;* that, if it has any thing like such a fixed value, then ten, a hundred, a thousand, or a million of dollars must necessarily have ten, a hundred, a thousand, or a million times more value than one dollar has; and to say that, by the prohibition of all other money, one dollar can be made to have as much "purchasing power" as ten, a hundred, a thousand, or a million dollars, is only to say that, by the prohibition of all other money, the holder of the one dollar will be enabled to extort, in exchange for it, ten, a hundred, a thousand, or a million times more of other men's property than the money is worth.

Perhaps we may conclude that the holders of the present stock of money, whose cardinal financial principle is that, by the prohibition of all other money, any small amount becomes invested with a "purchasing power" indefinitely greater than its true and natural market value, and who openly avow that that is their reason for insisting that all money shall be suppressed, except that small amount which they themselves hold, thereby virtually proclaim their purpose to be to so use their money as to extort, in exchange for it, an indefinite amount more of other men's property than the money is worth. And perhaps we may conclude that a government which, on this

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ground, as avowed by its most conspicuous members and partisans, maintains a hard monopoly of money, thereby virtually acknowledges itself to be a mere instrument in the hands of these extortioners, for accomplishing the purposes they have in view.

Perhaps we may conclude that it is indispensable to all honest and equitable traffic that the money that is paid for any other property should have the same amount of true and natural market value as the property that is given in exchange for it; and that the moment this principle is acknowledged, all justification for the interference of the government ceases; since it is the sole right of the parties to contracts to decide for themselves, in each case, what money, and what amount of money, is, and is not, a *bona fide* equivalent for the property that is to be given in exchange for it.

Perhaps, also, we may conclude that the notes of private persons or private companies, who have property with which to pay their notes, and who can be sued and compelled to pay them, with interest and costs from the time of demand, are quite as likely to give us a specie-paying currency, and are quite as deserving of the name of "honest money," as are the notes of a government that has no property to pay with; that cannot be sued or compelled to pay; and that has no intention of paying, unless, or until, it can do so without relaxing the monopoly it is determined to maintain.

Perhaps we may conclude that a government, which, for ten years together, prohibits, by a ten per cent. tax, all specie-paying notes, and at the same time, by the grossest usurpation, makes its own irredeemable, depreciated, non-specie-paying notes a legal tender in payment of all private debts, cannot reasonably be credited (however loud may be its professions) with any burning desire either for "specie payments," or for "honest money."

Perhaps we may conclude that any privileged money whatever, whether issued by a government or by individuals, is necessarily a dishonest money; just as a privileged man is necessarily a dishonest man; and just as any other privileged thing is necessarily a dishonest thing. For this reason we may perhaps conclude that a government that constantly cries out for "honest money," when it all the while means and maintains, and insists

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upon maintaining, a privileged money, acts the part only of a blockhead or a cheat.

Perhaps we may conclude that, when the fraudulent pretences by which the monopoly of money has been thus far maintained, and the fraudulent purposes for which it has been maintained, have been so fully demonstrated that they can no longer be concealed or denied, and after the effects of the monopoly have been to impoverish the country to an amount at least twenty times greater than the whole amount of the privileged money,—perhaps we may conclude that, after all these results, the responsibility of the authors of the monopoly is not to be evaded, nor their motives justified, by any such mock freedom in banking as is offered to us, provided we will use only government bonds as banking capital, and come under all such regulations and conditions as the government may prescribe, and thus give up all right to bank upon any portion of the thirty thousand millions of other property which we have (or once had, and may have again); at least twenty thousand millions of which are better banking capital than any government bonds can be; and which we have a perfect right to use as banking capital, without asking any permission of the government, or coming under any of its regulations or conditions.

Perhaps we may conclude that this attempt of the government to delude us into the idea that we can have perfect freedom in banking, while deprived of our right to use the twenty or thirty thousand millions of banking capital we already have, and while restricted to the contemptible amount of capital we can have, or can afford to have, under the system proposed by the government, is very much like a proposal to establish perfect freedom in farming by requiring men to give up all the farms they now have, and buy some of the government lands in Oregon or Alaska, and there come under all such regulations and conditions as the government may prescribe.

Perhaps we may conclude that the establishment of a monopoly of money is equivalent to the establishment of monopolies in all the businesses that are carried on by means of money,—to wit, all businesses that are carried on at all in civilized society; and that to establish such monopolies as these is equivalent to condemning all persons, except those holding the

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monopolies, to the condition of tributaries, dependents, servants, paupers, beggars, or slaves. Perhaps we may conclude that the establishment of a monopoly of money is also equivalent to a prohibition upon all businesses, except such as the monopolists of money may choose to license. And perhaps we may conclude that, if government were to prohibit directly all businesses, except such as it should choose to license, and, by direct grants, were to make all these licensed businesses subjects of monopoly, its acts, in so doing, would be no more flagrant tyrannies, and no more flagrant violations of men's natural rights, than are its acts in establishing the single monopoly of money.

Perhaps, after we shall have been insulted and impoverished by a few more such cheats as the "specie payment" cheat, the "honest money" cheat, the "free banking" cheat, and all the other cheats to which the government has resorted, for the one sole purpose of maintaining that monopoly of money on which the last administration relied for its support, and which the present administration is evidently determined to maintain, we may conclude that it is time for the people to take the matter of money into their own hands, and assert their right to provide their own money, in their own way, free of all dictation or interference from the government.

Perhaps we may conclude that the right to live, and to provide ourselves with food, clothing, shelter, and all the other necessaries and comforts of life, necessarily includes the right to provide ourselves with money; inasmuch as, in civilized life, money is the immediate and indispensable instrumentality for procuring all these things. Hence we may perhaps conclude that a people who surrender their natural right to provide themselves with money, practically surrender their right to provide for their own subsistence; and that a government that demands such a surrender, or attempts to take from them that right, and give it as a monopoly to a few, is as necessarily and as plainly the mere instrument of that few, as it would be if it were to require the people to surrender their right to follow their occupations as farmers, mechanics, and merchants, and give all these occupations as monopolies into the hands of the same few to whom it now gives the monopoly of money.

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Perhaps we may conclude that we want no special laws whatever, either of license, prohibition, or regulation, on the subject of banking; that bankers, like other men, should be free to make their own contracts, and then, like other men, be compelled to fulfil them; and that their private property, like the private property of all other men, should be holden to pay their debts.

Perhaps we may conclude that it is the natural right of every man, who has a dollar's worth of property that can be taken by legal process and applied to the payment of a promissory note, to offer his note for that amount in the market; and that it is the natural right of every body that pleases, to accept that note in exchange for other property; and that it is also a natural right of every subsequent holder of that note to offer it again in the market, and exchange it for other property with whomsoever may choose to accept it.

And since, in this way, it is not only theoretically possible, but absolutely practicable, that, to say the least, a very large amount of the material property of the country should be represented by promissory notes, and thus made to aid in furnishing a solvent and legitimate currency; and since nobody can be required to accept such a currency unless he pleases; and since nobody who chooses to accept it can either say that he is wronged, or be said to wrong any body else, by accepting it,—perhaps we may conclude that such a currency as this—if the people, or any portion of them, prefer it to any other that is offered them—can not rightfully be prohibited.

Perhaps we may conclude that no considerable accumulations of coin are necessary to maintain specie payments; that, where banking is free, and the private property of the bankers is holden for the debts of the banks, the business of banking naturally and necessarily falls into the hands of men of known wealth, whose notes challenge the scrutiny, and command the confidence, of the whole community; that, as these men, if permitted to do it, are always ready to supply the market with the greatest amount of notes that can be kept in circulation, the public have no temptation to accept any doubtful notes, and doubtful notes can consequently get no circulation; that, when the public are thus satisfied of the solvency of the notes they hold, they prefer them to coin, and the bankers rarely have any occasion to redeem them other-

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wise than by receiving them in payment of the notes they discount; that, as all the bank notes issued are wanted to pay the notes discounted, and are, at short intervals after their issue,—say in two, three, or four months, on an average,—returned to the banks in payment of notes discounted, the bankers, as a general rule, have no need to provide for any other redemption; and that, consequently, coin, unless in very small amounts, is merely dead capital, for which the bankers have no use whatever.

And, if the practicability or utility of this system should be doubted, perhaps we may refer the doubters to the example of Scotland, where, for eighty years,—from 1765 to 1845,—all the banks of Scotland, with two or three exceptions, stood upon the principle of the individual liability of their stockholders; enjoying perfect freedom in the issue of their notes, subject only to these restrictions, namely, that they should issue no notes below one pound, and none except those made payable on demand.[1] The result was that Scotland had the best system of banks, or at least the best association of banks, for solvency, stability, and utility, that was ever known in Europe.[2] During all that period of eighty years, while the banks of England were failing by the hundreds, and many of them proving utterly rotten, and while all that did not prove rotten repeatedly suspended specie payments,—at one time for more than twenty years,—*the banks of Scotland never suspended specie payments, and their notes were always equal to coin.* And, by introducing manufactures, they raised Scotland, within that period, from a miserable poverty-stricken condition (the effect of her cold climate and barren soil) to a condition of prosperity and wealth second to that of no other people in Europe. These facts, and others that cannot here be enumerated at length, demonstrate that, where banks rest upon the individual liability of stockholders, *or upon any other basis that gives to the public an absolute guarantee of the solvency of the banks,* banking may be made perfectly free, and the amount of currency as great as can be kept in circulation, *and yet that it will always be equal to coin.* And they prove also that all the

[1] The first of these restrictions only impaired the usefulness of the banks, without adding any thing to their solvency.

[2] And better than any ever known in the United States, unless, possibly, those in Rhode Island and one or two other States.

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arguments that are now used to justify restraints upon banking, and limitations upon the amount of currency, in order to maintain specie payments, proceed wholly from gross ignorance or fraud.[1]

Perhaps we may conclude that money is simply property that is cut up, or divided, into such pieces or parcels as are convenient and acceptable to be given and received in exchange for other property; and that any man who has any property whatever that can be cut up, or divided, into such pieces or parcels, has a perfect legal and moral right thus to cut it up, and then freely offer it in the market, in competition with all other money, and in exchange for any other commodity, that may there be offered in competition with, or in exchange for, it. Perhaps we may conclude that the simple fact of these pieces or parcels being called money, or not called money,—of their bearing the stamp or license of the government, or not bearing it,—has nothing to do with his right to offer them in the market, or to sell them, or lend them, or exchange them, on such terms as the parties to the contracts may mutually agree upon; that the simple facts that they are property,—property that is naturally vendible,—and that they are *his* property, entitle him to sell them, or lend them, to whomsoever may wish to buy, or to borrow, them; and to do all this on such terms as the parties, free of all interference from the government, may agree upon. And perhaps we may conclude that these pieces or parcels may as rightfully be bought, sold, and exchanged (if the parties so agree) by means of contracts on paper—notes, checks, drafts, bills of exchange, or whatever else—promising to deliver them on demand, or at times agreed on, as by actual delivery of the parcels themselves, at the time of the contract.

Perhaps we may conclude that, instead of Congress having the right, in General Butler's phrase, to "prohibit, by the severest penalties, every other person, corporation, or institution [than the government itself, or those whom it licenses] from issuing any

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[1] We can have a much better system even than the Scotch; better than the system of promissory notes; one that will furnish more money (if more can be used), and be more easy and convenient for the bankers and better for the public. But freedom to make experiments with any and all systems that men may choose to experiment with is what is necessary to give assurance, at all times, that we have the best possible system.

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thing that might appear in the semblance of money," it has no such right whatever, nor any semblance of such a right; that it has no color of right in the matter, beyond the simple "power to provide for the punishment of counterfeiting the securities and current coin of the United States;" that, so far from their having any such right, it is one of the first and most sacred of all the duties of any and every government (that has any duties at all) to protect every man in his natural right to offer in the market every vendible or loanable commodity he has to sell, or to lend; and to sell it, or lend it, to any and every man who wishes to buy it, or borrow it; and that it is the duty of the government to protect him in his liberty to do this by any and every possible form of contract—whether check, note, draft, bill of exchange, or whatever else—that is naturally and intrinsically just and obligatory.

Perhaps we may conclude that it is as much the duty of government to protect each and every man, who has any thing deserving the name of money, or that men may choose to call money, in his right to sell or lend it to any and every other man who may choose to accept it as money, as it is to protect him in his right to sell or lend any other property whatever, which he may wish to sell or lend, and which other men may wish to buy or borrow.

Perhaps we may conclude that the simple fact that men may, or may not, choose to call any particular commodity money, makes no difference whatever in the nature, character, quality, or value of the commodity itself; and therefore cannot affect the right of men to buy, or sell, or lend, or borrow it; or to give it in exchange for any other property, on such terms as the parties (without fraud) may mutually agree upon.

Perhaps we may conclude that all men, who are presumed competent to make reasonable and obligatory contracts, must also be presumed to be just as competent to judge of the value of any money that may be offered them, as the men who offer it are to judge of the value of the commodities they are to receive in exchange for it.

Perhaps, in short, we may conclude that it is one of the natural rights of men to sell their property for such money, and as

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much of it, as is offered to them for it, and as they choose to accept.

Perhaps we may also conclude that the idea of providing the people with money by prohibiting all money except such as the government itself may specially provide or license, is just as absurd, preposterous, and tyrannical as would be the idea of providing the people with food, clothing, or shelter, by prohibiting all food, clothing, or shelter, except such as the government itself may specially provide or license.

Perhaps we may conclude that, as it is with all other commodities, so it is with money, namely, that free competition in producing it and offering it in the market is the sure, and only sure, way of guaranteeing to us the greatest supply, the best article, and on the best terms; that, inasmuch as banking is but a very recent invention,—but one on which all industry and all other inventions depend mainly for their efficiency,—it is just as absurd to suppose that we have already attained perfection in it, as it would be to suppose we had attained perfection in any or all the other arts by which industry is carried on; that it is, therefore, just as absurd and suicidal to prohibit all new experiments and inventions in banking, as it would be to prohibit all new experiments and inventions in agriculture, mechanics, or any of the other arts of life; and that, to be consistent, those who would prohibit all new experiments and inventions in banking ought also to insist that the patent office be closed, and that all new experiments and inventions in any and every art and science whatsoever be prohibited.

Perhaps we may conclude that, however much money, or however many kinds of money, may be offered in the market, there is no danger that the holders will give any more of it in exchange for other men's property or labor, than such property or labor is worth; and that, therefore, there is no danger that the prices of either property or labor will ever be too high; or, what is the same thing, that property or labor will ever bring any more money than it is worth.

Perhaps we may conclude that it is time that those men who claim that gold and silver coins, by the monopoly now given to them as money, are kept at a price far above their true and

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natural value as metals, and who claim that they should still be kept at that price by restrictions upon all other money, were taught that all honest and equitable commerce requires that each and every commodity that may be sold at all—whether it be called money, or by any other name—should be sold only at the price it will bear in free and open market, and subject to the free competition of every other commodity that may there be offered in competition with, or in exchange for, it; that the free and open market is as much the true and only test of the true and natural market value of every thing that can be called money, as it is of the true and natural market value of every thing that is exchanged for money.

Perhaps we may conclude that, since industry is an animal, so to speak, that feeds and lives on money; since its strength, activity, and growth depend mainly upon the amount of money that is furnished to it; since we as yet know of no limits to its increase in power, except the limits set by the money that is supplied to it; since, when it is fully supplied with money, it will create two, five, ten, a hundred, often thousands, sometimes millions, and even hundreds and thousands of millions, of dollars of wealth, for every dollar that it consumes,[1] but, when stinted or deprived of money, necessarily languishes or dies; and since, when it languishes or dies, mankind languish or die with it,—perhaps, in view of these facts, we may conclude that to stint or deprive it of money is not merely bad economy, but fatuity and suicide.[2]

And, finally, perhaps we may conclude that a government

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[1] The estimate in the text is no extravagance. Suppose we could ascertain the precise number of dollars and cents, or of pounds, shillings, and pence, expended by such men as Watt, and Arkwright, and Stephenson, and Morse, and Whitney, and Fulton, and Woodworth, and Hoe, and McCormick, and so many others, in making and perfecting their inventions,—what proportion would those figures bear to those that should even attempt to measure the immeasurable value of the inventions themselves? And what must we think of the folly, absurdity, and tyranny of that dearth of money which our monopolists of money would have maintained if they could; which would have made these inventions impossible; and which now withholds them from four-fifths, perhaps from nine-tenths, of mankind?

[2] We have all heard of the bumpkin who tried an experiment to ascertain upon how little food his horse could be made to subsist. His experiment succeeded to his entire satisfaction, until, from some cause he could not understand, his horse happened to die. Stupid as he was, he may possibly have suspected that it was from a want of food; for we do not hear that he ever tried the experiment again. But our financial bumpkins (or something worse) persist in trying the same experiment over and over again. The industry upon which they try it invariably dies; but they learn no wisdom, or caution (or honesty) from the results.

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that sacrifices a million of lives to maintain its power, and then uses that power to trample in the dust all the natural rights of the survivors, and to cheat, plunder, and starve them, for the mere profit of the holders of eight hundred millions of money, is not a government that should be tolerated for any great length of time.

LYSANDER SPOONER.

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